

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	WC Dkt. No. 06-122
Universal Service Contribution Methodology)	
)	

COMMENTS ON THE NOTICE OF PROPOSED RULEMAKING

Multi-Link Telecom, LLC submits these Comments to the Federal Communications Commission (“FCC” or “Commission”) regarding the Report and Order and Notice of Proposed Rulemaking (“NPRM”) in the above captioned proceeding. The FCC is seeking comments on interim modifications for assessing contributions to the Universal Service Fund (“USF” or “Fund”), which were adopted concurrently with the proposed rule.

Multi-Link Telecom, LLC strongly supports the Commission and the Commissions efforts to guarantee ongoing funding of the USF. Furthermore we are supportive of either a numbers based approach OR a revenue based approach to the ongoing funding shortfall. We are also supportive of the addition of wireless safe harbor percentages and VoIP provider inclusion in the USF funding methodology.

Unified Messaging/Voicemail Industry

The competitive industry of Unified Messaging and Voice Messaging Services has flourished in the past 10 years. Unified messaging companies provide value added service

to ALL telecommunications carriers, both wireless and wire line. In order to offer these value added services to these carriers and end user customers, companies in our industry are required to purchase bulk inventories of telephone numbers (DID's) on a retail basis, to provide our value added service to end users of other telephony services. We purchase these blocks of DID's from RBOCs and CLEC's as an End-User Customer and are taxed accordingly. Many Unified Messaging Companies, as well as paging companies maintain inventories of tens of thousands of DID's with which to serve our end user customers. ALL of these numbers are utilized to provide value added messaging services to end-users, and NEVER provide dial tone to an end user client. Furthermore our service is 100% Intra-state in nature and does not provide inter-state services of any kind.

Industry Concern with Numbers Based approach

Our concern with the proposed Numbers Based Approach is the potential impact it would have on our thriving nascent industry. The stated objective of the Commission was that ".....contributions should be equitable and nondiscriminatory, and support mechanism should be specific, predictable, and sufficient." ¹

A numbers based approach, as being considered by the commission, would be unfairly prejudicial to our industry as it would cause exorbitant cost increases in providing our value added services. Many of our customers pay us as little as \$3.00 per month for our service. We currently pay \$0.12 per number for our inventory, and a \$1.00 increase from a USF surcharge, represents a 933% increase in cost which cannot be passed on to the customers. Thousands of unused DID's held in inventory would suddenly incur a significant rate

increase to support the Fund and make our business competitively unviable. Since we pay into the Fund as End-User subscribers on a revenue basis, the contribution does not unfairly disadvantage our service or technology. A flat fee, numbers based approach, would unfairly disadvantage both our technology and our service.

¹ 47 U.S.C. §254(b)(4), (5). The Commission adopted the additional principle that federal support mechanisms should be competitively neutral, neither unfairly advantaging nor disadvantaging to particular service providers or technologies. *See also Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, 12 FCC Rcd 8776, 8801-03, paras. 46-51 (1997) (*Universal Service First Report and Order*) (subsequent history omitted.)

Possible Alternatives that Could Minimize the Impact on Unified Messaging Companies

In the initial regulatory flexibility analysis (“IRFA”) the FCC asked small entities to submit alternatives that would minimize the impact while ensuring stability and sufficiency of the USF. ² Multi-Link Telecom, LLC recommends that the Commission consider the following alternatives in addition to those proposed by the FCC.

Carve-Out for Resellers of Intra-State Services

Since many value added services are 100% intra-state in nature, we recommend the commission consider a “carve-out” for those providers that provide exclusively intra-state services. Since there is no bundling of inter-state and intra-state services, there would be no need for Safe Harbor calculation in this “carve-out” class of business.

Carve-Out for One-Way Communications Service Providers

The FCC is attempting to capture USF funding from all companies providing dial tone or phone line equivalents. We recommend the Commission provide a “carve-out” for one-way communication providers such as paging and enhanced communications service

providers. Such providers hold enormous banks of DID's in inventory to provide one-way communications and low cost products as opposed to dial-tone or phone line equivalent products . A numbers based approach implemented on any number used to provide a 'dial tone equivalent' or '**2 way communications**' with a carve out for all other companies would accomplish the goals of the Commission while not unfairly burdening our industry.

² *Id.* At Appendix F, para. 14.

De Minimis Contributions for Resellers or Wholesalers

The Commission currently excuses contributors to the USF if they amount they contribute is considered *de minimis*, which is currently set at \$10,000.³ The FCC should consider expanding the deminimis to include retail end-user clients that purchase large volumes of DID's that are not used to provide basic telephony services.

Contribution Methodology

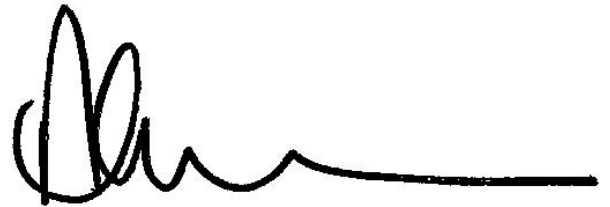
The FCC may consider a proposal that changes the contribution methodologies current being considered by the Commission. We recommend that the FCC implement a methodology that ONLY dial-tone providers be required to contribute to the Fund on an ongoing basis. We recommend that value-added ONLY providers that do not provide core dial tone services not be subject to USF contributions.

Conclusion

Multi-Link Telecom, LLC urges the FCC to consider the comments from small value-added companies and consider the regulatory impact of the Universal Service Methodology. Additional alternatives may be received through small business or value-added businesses on the IRFA and the NPRM. Multi-Link Telecom, LLC recommends that the FCC analyze the alternatives recommended above and other significant alternatives provided by commenters to reduce the impact on value added businesses.

³ 47 CFR §54.708 (2005)

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Nigel Alexander', followed by a long horizontal line extending to the right.

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